

SYSTEM 6 KITCHENS LIMITED
ACCOUNTS FOR THE YEAR ENDED
31 JANUARY 2003

DIRECTORS: M. T. FOSTER
C. L. FOSTER

SECRETARY: C. L. FOSTER

REGISTERED OFFICE: 4, Christow Road
Marsh Barton
EXETER
EX2 8QP

BANKERS: HSBC Bank plc
9, St Thomas Centre
Cowick Street
EXETER
EX4 1DD

AUDITORS: M. J. EDWORTHY & CO
Chartered Certified Accountants
23 Whipton Village Road
EXETER
EX4 8AN

COMPANY NUMBER : 1902921



DIRECTORS' REPORT**FOR THE YEAR ENDED 31 JANUARY 2003****DIRECTORS' RESPONSIBILITIES**

Company law requires us as directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 1985. We are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES AND ANY SIGNIFICANT CHANGES

The principal activity of the company during the year continued to be that of a fitted kitchen manufacturer.

DIRECTORS' INTERESTS

The directors of the company who served during the year and their interests in the ordinary shares of the company were as follows:-

	Ordinary Shares of £1 each	
	31/01/03	31/01/02
M. T. FOSTER	2	2
C. L. FOSTER	-	-

Mrs C.L. Foster was appointed a director of the company on 23 July 2002. At the time of her appointment Mrs Foster held no shares in the company.

DIRECTORS' REPORT

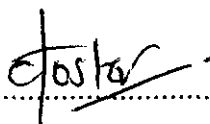
FOR THE YEAR ENDED 31 JANUARY 2003

AUDITORS

The auditors, M. J. Edworthy & Co. have indicated their willingness to accept reappointment under section 385 (2) of the Companies Act 1985.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



Secretary

22/9/03

Date

6 KITCHENS LIMITED

We have audited the financial statements of System 6 Kitchens Limited for the year ended 31 January 2003 which comprise the Profit and Loss Account the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

6 KITCHENS LIMITED - CONTINUED

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



M.J. EDWORTHY AND CO
Registered Auditors

29 October 2003

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2003

	Note	2003 £	2002 £
TURNOVER	2	2,038,141	1,884,325
Cost of sales		1,204,295	1,116,919
GROSS PROFIT		833,846	767,406
Administrative expenses		339,401	319,435
OPERATING PROFIT	3	494,445	447,971
Other interest receivable and similar income		4,271	9,164
Interest payable and similar charges		288	519
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		498,428	456,616
Tax on profit on ordinary activities	4	128,636	122,022
PROFIT FOR THE FINANCIAL YEAR		369,792	334,594
Dividends		150,000	257,200
RETAINED PROFIT FOR THE FINANCIAL YEAR		219,792	77,394
Retained profits brought forward		650,617	573,223
RETAINED PROFITS CARRIED FORWARD		870,409	650,617

The annexed notes form part of these financial statements.

BALANCE SHEET

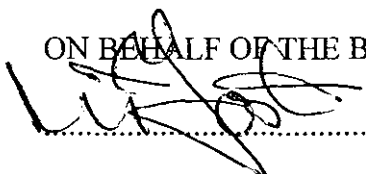
AS AT 31 JANUARY 2003

	Note	£	2003	£	£	2002	£
FIXED ASSETS							
Tangible assets	5		284,982			280,507	
CURRENT ASSETS							
Stocks	6	93,593			91,163		
Debtors	7	276,849			306,227		
Cash at bank and in hand		532,606			278,950		
			903,048		676,340		
CREDITORS							
Amounts falling due within one year	8	300,869			286,094		
NET CURRENT ASSETS			602,179			390,246	
TOTAL ASSETS LESS							
CURRENT LIABILITIES			887,161			670,753	
PROVISIONS FOR LIABILITIES							
AND CHARGES	9		16,750			20,134	
NET ASSETS							
			870,411			650,619	
CAPITAL AND RESERVES							
Called up share capital	10		2			2	
Profit and loss account			870,409			650,617	
SHAREHOLDERS' FUNDS							
			870,411			650,619	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the Board on... 22/9/03

ON BEHALF OF THE BOARD



Director

22/9/03 Date

The annexed notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2003

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:-

Property improvements	-	10% per annum of net book value
Plant and machinery	-	25% per annum of net book value
Fixtures and fittings	-	25% per annum of net book value
Motor vehicles	-	25% per annum of net book value

c) Stocks and work in progress

Stocks and work in progress have been valued at the lower of cost and net realisable value; in respect of work in progress, cost includes a relevant proportion of overheads according to the stage of manufacture.

d) Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2003

2. TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

3. OPERATING PROFIT

Operating profit is stated after charging:-

	2003 £	2002 £
Directors' emoluments	56,981	33,402
Auditors' remuneration	3,600	3,000
Depreciation of owned assets	72,890	69,243
Hire of plant and machinery	12,696	8,859
Loss on sale of tangible fixed assets	13,877	6,626
	<u>159,044</u>	<u>121,130</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Current year:

Corporation tax	129,989	115,829
Deferred taxation	(3,384)	6,193

Prior year:

Corporation tax underprovided	2,031	-
	<u>2,031</u>	<u>-</u>
	<u>128,636</u>	<u>122,022</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2003**

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc. £	Total £
Cost :			
At 1 February 2002	135,104	409,406	544,510
Additions	501	90,741	91,242
Disposals	-	45,288	45,288
At 31 January 2003	135,605	454,859	590,464
Depreciation :			
At 1 February 2002	25,911	238,092	264,003
Charge for the year	10,969	61,921	72,890
Eliminated on disposals	-	31,411	31,411
At 31 January 2003	36,880	268,602	305,482
Net Book Value :			
At 31 January 2003	98,725	186,257	284,982
At 31 January 2002	109,193	171,314	280,507

The cost of depreciable assets included in land and buildings at 31 January 2003 was £135,605

6. STOCKS AND WORK IN PROGRESS

	2003 £	2002 £
Stocks	93,593	91,163

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2003

7. DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	2003	2002
	£	£
Trade debtors	261,080	285,658
Other debtors	15,769	20,569
	<u>276,849</u>	<u>306,227</u>

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	98,645	108,267
Other creditors	29,011	21,977
Corporation tax	129,989	115,829
Other tax and social security	43,224	40,021
	<u>300,869</u>	<u>286,094</u>

Included in trade creditors are amounts totaling £72,689 (2002 £63,704) due in respect of goods for which title does not pass until payment is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2003

9. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation £
Balance at 1 February 2002	20,134
Utilised during the year	(3,384)
Balance at 31 January 2003	<u>16,750</u>

The amount provided and the potential liability for deferred taxation is as follows:-

	2003		2002	
	Provided £	Potential £	Provided £	Potential £
The accumulated excess of capital allowances over corresponding depreciation	<u>16,750</u>	<u>16,750</u>	<u>20,134</u>	<u>20,134</u>

10. SHARE CAPITAL

	Authorised £	Allotted called up and fully paid £
Ordinary shares of £1 each	<u>10,000</u>	<u>2</u>

There have been no changes during the year.

11. LOANS TO DIRECTORS

During the year the company had the following loan due from a director of the company:-

	Balance at 31/01/02	Balance at 31/01/03	Maximum during year
M.T. FOSTER	<u>-</u>	<u>-</u>	<u>4,374</u>

The loan was interest free and repayable on demand